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DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING
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May 17, 1979

Mr. Don Ekker
4280 Paskay Drive
Salt Lake City, Utah 84120

RE: Surety
Mountain King Mine
Emery County, Utah
ACT/015/024

Dear Mr. Ekker:

This letter is to reiterate our telephone conversation of this morning.

The required thirty day waiting period following publication of the Mountain King Mine Mining and Reclamation Plan has expired with the Division having received no comment.

Final approval for this operation will be issued upon the Division's receipt of the reclamation surety and the Board of Oil, Gas, and Mining's signature.

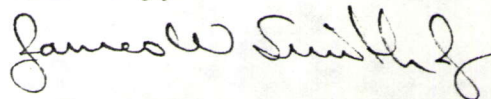
As was discussed, the surety may be in the form of an Escrow Agreement with an initial fifty percent deposit of \$2,732.00 and the balance being deposited in monthly installments so that the total reclamation surety of \$5,464.00 would be in the Escrow Fund at the end of two years. The balance would amount to twenty-three installments of \$113.83 and one payment of \$113.91. The Escrow Fund is to accumulate interest at an annual rate not less than five percent and is to be jointly owned by your partnership and the State of Utah.

Mr. Don Ekker
May 17, 1979
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To avoid further delays in granting final approval, please complete the forms which were previously sent to you and return them to this office, along with a receipt of deposit, by May 23, 1979, so that the Board may affix its signature to the documents during their monthly meeting.

If you have any questions please feel free to call.

Sincerely,

A handwritten signature in cursive script, appearing to read "James W. Smith, Jr.", written in dark ink.

JAMES W. SMITH, JR.
RECLAMATION SOILS SPECIALIST

JWS/te